ARRIVAL OF THE ASIA.

ONE DAY LATER FROM EUROPE.

England and France Determined to Enforce Their Neutrality.

IMPORTANT CIECULAR FROM EARL RUSSELL.

Belligerent Vessels Excluded from British Ports.

The Privateer Nashville Afraid of the Tuscarora and Refuses to Leave Southampton.

Admiral Bruce, R. N., to Commander Craven, U.S. N.

Manchester Proclaims Against Intervention in America.

THE SUMTER IN THE MEDITERRANEAN.

Spain Repudiates an Austrian King for Mexico.

trian Denunciation of Napoleon's Designs in Mexico and Italy,

The Cunard mail steamship Asia, Captain Lott, which and from Queenstown on the 2d instant, arrived here a half-past four o'clock yesterday morning, bringing mails, ngers and cargo.

raphic report of the Toutonia, off Cape Race, published the HEBALD last Thursday morning. The protracted inquiry into the state of mind of Mr. W.

. Windham had at longth terminated, with a verdict t he is of sound mind and capable of taking care of himself and his affairs. The verdict was received in court with great cheering, and gave general satisfaction. The inquiry extended over thirty-four days, and no fewer than one hundred and forty witnesses were examined. bill of costs is supposed to be somthing frightful.

The projected British North American Association had seen duly organized at a public meeting in London. The Association soeks to become the exponent of colonial in-terests and opinion in England. Many influential men

The new ministry in Holland was formed as follows:nister of Interior, M. Thorbecke; Foreign Affairs, M. Stratenus; Finance, M. Betz; War, M. Blanken; Colonies,

steam communication between France and the West Indies d New York are under contract to provide eleven steamers for the service.

A despatch from London of the 1st February says:—

Twenty-eight miners have been suffocated in Styria, owing to a but at the mouth of the pit taking fire, the ke from which was drawn down the workings.

The London correspondent of the Belfast (Ireland) News

The London correspondent of the Belfast (Iraland) News Letter, in a letter of the 31st alt, says:—

Mr. Russell, the special correspondent of the London Times at Washington, is in such a state of kealth as to prevent him from continuing to discharge his important atties as representative of Frinting House Square at the "great army of the Potomac." Mr. Woods, the historian of the Great Eastern, to whose pen we also owe the magnificent description of the Agamemnon in a storm with the Atlantic cable on board, and whose account of the great fight between Heenan and Tom Sayors for the champion's beit will long be remembered, declines to take the place of Mr. Russell, on the ground that he has already seen quite enough of foreign service. In this dilemma, the duties of "our own correspondent" will probably devolve upon some person at Washington connected with local journalism.

It appears from the official account of the expanses of

It appears from the official account of the expenses of ish war in Africa, which has just been made up, at the total expenses from the 1st of November, 1859 the end of 1860, were 236,000,000 reals. The value of provisions and stores on hand was 24,000,000 reals, leaving 212,000,000 reals as the net cost. The ration of sach soldier costs 3rls. 30c. The daily forage for each norse and mule 8rls. 42c. The treatment of each patient mpital costs 7ris. 39c. Forty-six steam transports ed 42,000 tops of coal, being at the rate of four ad a half tons per diem for each steamer. The cost of the shoes and clothing expended has been made good, since the war, by the different corps of the army. 20,732 n were expended, costing each 43rls 37c.; also 6,338,200 musket cartridges, costing each 36c. The total number of deaths in the army, according to the official return s was 7.020.

On the 30th ultimo, fifteen miles north of Ushant, the ritish mail seamer Tagus, from Lisbon, passed a very suspicious looking graft-a large screw frigate, ship rig ged, funnel abaft the mainmast, with pennant flying. She was hove to under close reefed maintopsails, with steam up. The Tagus showed her colors, but she declined

A St. Petersburg letter in the London Times says :-AN, reteraburg letter in the London Times mays:—
The winter is unusually severe in Russia. Almost every ay frozen bodies are found on the Neva. Three persons a covered sledge from Cronstatt, with the driver, were il found on its arrival to be completely frozen, the horses awing brought the vehicle on to the usual place of steping. Even the stones do not resist the cold, and several racks are wisible in the Alexander monument, construct1 of red Finland granite.
The following letter from Rome of the 25th uit, conting the particulars of the Power lets.

tains the particulars of the Pope's late illness -

tains the particulars of the Pope's late illness:—
The Holy Father has been slightly indisposed. It was on Wednesday morning last that he fett himself unwell. His physicians then persuaded him to keep his bed. In the afternoon he had a slight fever, caused by a sore, the consequence of erysipelas in the leg. The fever continuou until yesterday, when it abated, and he was enabled to quit his bed. This morning he gave audience as usual to his ministers and to other persons. The Pope is seventy years of age, and his health requires great care. The sore on his leg becomes irritable from time to time, and fever then ensues.

mons have recently come to Paris from London, and pur-chased a building and some ground between Asnieres

The exportation of saltpetre from India, except to

Pritish ports, is prohibited.

A large gold field has been discovered in Southern

reported per Jura, reached Liverpool from Holyhead on the day the Asia sailed, and would forthwith transfer her passongers and cargo to the steamship Edinburg. It was doubtful if the Edinburg would get away before Monday, the 3d. Water only found its way into the fore compart:

ment of the Etna, the cargo was therefore not damaged.

The Teutonia, which was to have left Southampton on the 29th, only reached that port on the 31st ult., and

The British steamer Bahiana, for New York, was to eave Queenstown February 3.

on the morning of the 1st inst. Liverpool on the 2d of February.

## THE AMERICAN WAR CRISIS

American War Vessels Shut Out from British Ports-Earl Russell's Carculat

[From the London Gazette, Jan. 31.1 The following is a copy of a letter from Earl Russell to FORMUN OFFICE, Jan. 31, 1862.

Her Majorty being fully determined to observe the duties of neutrality during the existing hostilities between the Cnited States and the States calling themselves "the Conederate States of America," and being, moreover, resolved to prevent, as far as possible, the use of her Majesty's barbors, ports and coasts, and the waters within her Majesty's territorial jurisdiction, in aid of the warlike purposes of either belligerent, has commanded me to comnumerate to your lordships, for your guidance, the following rules, which are to be treated and enforced as her Majesty's orders and directions.

Her Majesty is pleased further to command that these

February next, and in her Majesty's territories and posses one beyond the seas six days after the day when the Governor or other chief authority of each of such territories or possessions respectively shall have notified and published the same, stating in such notification that the said rules are to be obeyed by all persons within the same

erritories and possessions.

1. During the continuance of the present hostilities between the government of the United States of North America and the States calling themselves "the Confederate States of America," or until Her Majesty shall otherwise order, no ship of-war or privateer belonging to either of the belligerents shall be permitted to enter or remain in the port of Nasau, or in any other port, roadscad, or waters of the Bahama Islands, except by special leave of the Lieutenant Governor of the Bahama Islands, or in case of stress of weather. If any such vessel should enter any such port, roadstead or waters by special leave, or un-der stress of weather, the authorities of the place shall equire her to put to sea as soon as possible, without per-

necessary for her immediate use.

If at the time when this order is first notified in the Pahama Islands there shall be any such vessel already within any port, roadstead or waters of those islands, the depart, and shall require her to put to sea within such time as he shall, under the circumstances, consider pro-per and reasonable. If there shall then be ships of war or privatoers belonging to both the said belligerents the territorial jurisdiction of her Majesty in or near the same port, roadstead or waters, the Lieutenan Governor shall fix the order of time in which such vesse shall depart. No such vessel of either belligerent shall be permitted to put to sea until after the expiration of at least venty-four hours from the time when the last preceding vesses of the other belligerent (whether the same shall be a ship-of war, or privateer, or merchant ship) which shall have left the same port, roadstead or waters, or waters adjacent thereto, shall have passed beyond the territorial jurisdiction of

2. During the continuance of the present hostilities between the government of the United States of North America and the States calling themselves "the Confede-rate States of America," all ships-of-war and privateers of

America and the States calling themselves "the Confederate States of America," all ships-of-war and privateers of either belligerent are prohibited from making use of any port or roadstead in the United Kingdom of Great Britain and Ireland, or in the Channel Islands, or in any of her Majesty's colonies or foreign possessions or dependencies, or of any waters subject to the territorial jurisdiction of the British Crown, as a station or place of resort for any warlike purposes, or for the purpose of obtaining any facilities of warike equipment; and no ship-of-war or privateer of either belligerent shall hereafter be permitted to sail out of or leave any port, roadstead or waters subject to British jurisdiction, from which any vessel of the other belligerent (whether the same shall be a ship-of-war, a privateer or a merchant ship) shall have previously departed, until after the expiration of at least twenty-four hours from the departure of such last monitioned vessel beyond the territorial jurisdiction of her Majesty.

3. If any ship-of-war or privateer of either belligerent shall, after the time when this order shall be first notified and put in force in the United Kingdom and in the Channel Islands, and in the several colonies and foreign possessions and dependencies of her Majesty, respectively, enter any port, roadstead or waters belonging to her Majesty, either in the United Kingdom, or in the Channel Islands, or in any of her Majesty scolonies or foreign possessions or dependencies, such vessel shall be required to depart and to put to sea within twenty-four hours after her entrance into such port, roadstead or waters, except in case of stress of weather, or of her requiring provisions or things necessary for the subsistence of her crew, or repairs; in either of which cases the authorities of the port, or of the nearest port (as the case may be), shall require her to put to sea as soon as possible after the expiration of such period of twenty-four hours, without permitting her to take in supplies, beyond wha

4. No ship of war or privateer of either belligerent shall hereafter be permitted, while in any port, roadstead or waters subject to the territorial jurisdiction of her Majesty, to take in any supplies, except provisions and such other things as may be requisite for the subsistence of her crew; and except to much coal only as may be sufficient to cirry such essel to the nevert port of her own country, or to some nearer definition; and so coal shall be again any piled to any such ship-of war or privateer, in the same or any other port, roadstead or waters subject to the territorial jurisdiction of her Majesty, without special permitsion, until after the expiration of three months from the time when such coal may have been last supplied to her within British waters as aforesaid. I have, &c.,

NOTE.—A similar letter has been addressed to the Secretaries of State for the Home, Colonial, War and India Departments, and to the Lords Commissioners of her Majesty's Treasury.

France Enforces Her Neutrality Rule. A designate from London of the list of February says:—
The Shipping Gazette says there is little doubt that the French government will follow our example in imposing still more stringent obligations of neutrality on French subjects in reference to the American belligarents. Confederates and federals will be thus compelled to keep the sea or shelter in such ports as still remain open to them

No Intervention in American Affairs.

From Gore's Liverpool Commercial Advertiser, Jan. 30.]
As matters now\*atand we are relieved from the necessity, which otherwise would have been imposed upon us, of showing the utter folly of relying upon European intercention, the official of America in the only more of coming cation for the smile. The content of the official of America in the only more of coming cation for the smile of the content of the co

ticipated, and that opinion was echoed at Manchester. Time, at any rate, must clapse before the South can so far recover theif from this destructive contest as to resume its old industrial parasets, while obligations of a new and burdenceme character must involtably oppress the entryies of its people. The old state of things, in fact, is past restoration, and nobody can yet deviate what the new state will bring forth. The true remedy for impending difficulties as Mr. Potter remarked, must be sought in India, but, if India is to do what is expected, it is above all things necessary that her own government and finances should be wisely administered. India must pay her way, and pay it even by import duties, in default of better means, but if once she can secure the advantage of growing cotton for Lancashire she will be under no inducement either to tax our fabrics or manufacture such articles for horself.

The Rebel Agents in France and England.

PARIS, Feb. 2, 1862. The Independance Beige asserts that the Southern Com-nissioners have informed the English government that in return for the recognition of the Southern confederacy, they would establish most absolute free trade for fifty years, abolish the external slave traffic and emancipate all the blacks born after the recognition. These offers, however, will not determine Lord Palmerston to abandon

The proposition of Mr. Gregory for the recognition of the South will be discussed soon after the opening of Par-liament. An interesting and excited debate and reco-

The Blockade of the Nashville. THE REBEL CAPTAIN APPRAID OF THE TUSCABORA—HE APPRAIS TO ENGLAND FOR SHEATER, ETC.
[London (Jan. 30) correspondence of the Manchester Guardin.]

[London (Jan. 30) correspondence of the Manchester Guardian.]

When the Tuscarora left Southampton, notice, I understand, was given to the Nashville to quit within the twenty-four hours. But Captain Pegram having represented that obedience would involve certain destruction, not only to his ship, but to his crew, for that he expected the Tuscarora would show him no mercy, and would, in all probability, send both ship and men to the bottom, some extension of time has been granted from considerations of humanity. Still, the nuisance of having to keep a frigate watching two enemies' ships, lest they should convert the Solent into a battle field, and pound each other to pieces within hall of the yacht club houses of Cowes or Calshot Castle, has, it is reported, decided our government to follow the example of France and Spain, in issuing a proclamation to forbid the armed ships of either belligerents from remaining more than twenty-feur hours in any British port.

Such a proclamation, if I am rightly informed, may be looked for in the first gazette.

It was rumored that the Tuscarora had gone to the Meditorranean.

THE NASHV-LLE ABOUT TO LEAVE SOUTHAMPTON.

Meditorranean.

THE NASHY.LLE ABOUT TO LEAVE SOUTHAMPTON.
[Southampton (Jan. 30) correspondence of the Manchester Guardian.]

All debts incurred by the Confederate steamer Nashville have been suddenly discharged. She has caused £6,000 to be spent in the town.

When the belta, which arrived here a day or two ago with the Indian mail, was on her passage home, and had just passed the Sumter, she met a very line American (federal) proceeding right into the jaws, as it were, of the Sumter. The commander of the Deita might have warned the federal of her danger, but, fearing it might be construed into a breach of neutrality, he abstained from doing so. In a very short time the federal ship was captured by the Confederate, and burnt to the water's edge.

ing so. In a very short time the federal ship was captured by the Confederate, and burnt to the water's edge.

Letter from Admiral Bruce, R. N., to Commander Craven, U. S. N.

[From the London Star, Jan. 21.]

We published on Saturday last a contradiction to the statement made by the Army and Navy Gazette to the effect that the federal steamer Tuscarora had anchored off Osborne, and had been ordered to remove by the admiral in command of the station. We now learn that Commander Craven addressed a letter on the subject to the Commander chaven addressed a letter on the subject to the Commander chaven addressed a letter on the subject to the Commander chaven addressed a letter on the subject to the Commander chaven addressed a letter on the subject to the following satisfactory reply:—

Victory, Portemout Harrest, Jan. 23, 1862.

I have the honor to acknowledge the receipt of your letter of the 22d inst., calling my attention to a paragraph extracted, as it appears, from the Army and Navy Gazette, commenting on the supposed fact of the United States steamship of war Tuscarora, under your command, having anchored off Osborne. In reply, I beg to inform you that on Thursday last, the 16th inst., the signalman on duty a the dockyard Semaphore reported that the Tuscarora had anchored off Osborne. I, therefore, directed Capt. Coote, of H. M. S. Victory, to proceed in one of the steam tenders to communicate with you, and, with my compliments, so request that you would be so good as to move the ship to some other anchorage. Captain Coote, however, had scarcely got outside the harbor when he discovered that the report of the signalman was a mistake; that the Tuscarora, in fact, had not anchored off Geborne, but that the ship supposed to have been her was her Majesty's ship Vigilant. I trust that this explanation will remove from your mind any feeling of annoyance you may have experienced from the publication of the paragraph, efferred to above. I cannot myself point out to the writer of that paragraph, or to the editor of the writer of that paragraph, or to the editor of the paper in which it appeared, the circumstances which probably led to his being misinformed as to the movements of your ship, because her Majesty's officers are forbidden to publish anything in the newspapers bearing on questions arising in the public service, and I never have any communication with the public prints.

H. W. BRUCE,

Vice Admiral, Commander in Chief.

Commander T. A. CRAVEN, United States steamship Tuscarora.

The Sumter in the Mediterranean. The Sumter in the Mediterranean.

The Paris correspondent of the London Headld says—
Letters from Marseilles state that the utmost constenation prevails among the American shipmasters in that harbor ever singe the presence of the Sumter in the Mediterranean has been ascertained. I hear that an attempt has been made to induce the French government to grant a convoy, and that the American Consul is said to have written to the captain of the Tuscarora, requesting him to take his ship to the Mediterranean as soon as possible.

The Sumter is still at Gibraltar.

THE SUMTER ORDERED FROM GIBRALTAR.
[From the London Times, Feb. 1.]
The keavy portion of these mails, in charge of Mr. U.
Sonavne, of the General Post Office, reached Southampton The heavy portion of the consumer of the General Post Office, reached Southampton yesterday afternoon in the Peninsular and Oriental Company's screw steamer Pera, Captain T. Jamieson, which arrived in dock at half-past two P. M.

The Confederate steamer Sumter was at Gibraltar when

arrived in dock at half-past two P. M.

The Confederate steamer Sumter was at Gibraltar when the Pera left.

There are no accounts of the naval combat in the Mediterranean between two ships, of which the Sumter was supposed to be one. The vessel destroyed by the Sumter, in the interval between her leaving Cadiz and her first arrival at Gibraltar, was the American bark Neapolitan, Captain Bardett, with fruit for Boston, consigned to the agent of Baring Brothers. She was burnt about eighteen miles to the eastward of the rock; and the master and crew (twelve in number) taken to Gibraltar by the American bark investigator, which arrived there on the 19th. The Investigator was laden with copper ore for Newport, the cargo being owned in England, and she was released by the captain of the Sumter on her captain giving a bond for \$15,000.

A despatch of the 17th ult., from Cadiz, states that on the order to put to sea being communicated to the captain of the Sumter, he replied that it was materially impossible to obey for scall of water and coal, and of money, which he was expecting from one moment to another, to purchase these two articles.

The Military Governor of the fortress, not allowing the validity of these reasons, growted him six hours to provide himself with what he needed and to quit the port.

The March of British Troops Through Maine.

Expected Dangers of Mr. seward's proposition. (London (Jan. 30) correspondence of the Manchester Guardian.)

While on American matters I may say that no official communication has yet been received here of the alleged offer of Mr. Seward to allow the English reinforcements for Canada to land at Portland, and proceed to their destination by the Grand Trunk line through Maine. I understand that our Foreign Office authorities do not believe that any such offer has been made. If it have been, I do not suppose it would be accepted.

Not only are there considerations of national dignity which might stand in the way of acceptance; but more pression and palpable reasons would not be wanting. There is very old and strong Canadian experience of the effects on our troops of the temptations to desertion held out by the United States agents or crimps in the frontier posts. Just now these temptations are enormously increased. I dare say privates would be lured, not only by the largely increased pay of the American line, but by hopes of immediate promotion to non-commissioned officers might be sorely tempted with the more glittering bait of subaltern's or captain's spaulettes. Were war in progress, or imminent, the temptation would be robbed of much of its effect, but as matters stand it might tell bravely.

This of titself is a very solid ground for not listening to any such proposition as is said—without any reliable authority, that I can discover—to have been made by Mr. Saward.

any such proposition as is said—without any reliable authority, that I can discover—to have been made by Mr. Seward.

The "Stone Blockade" and its Cost.

ENGLAND'S LATEST GRIEVANCE FROM AMERICA.

(From the London Times' city article, Jan. 31.]

The statement of Mr. Soward, implying that the United States government will hold themselves bound after they have subjugated the confiderates to restore such harbors as they may destroy, or open up better ones, has added considerably to the disquist of holders of the federal bonds, since it makes a further infinite addition to the prospects of the ultimate amount of debt. Mr. Seward, in approved engineering phrascology, observes that all such things will be "a mere matter of expanse," but this does not comfort those who are perpiezed as to the means by which the necessary funds are to be acquired. It is believed that even if the war could be wound up at this moment the debt of America, reckoning the amounts to be raised to meet the liabilities of the Saith as well as the North, and to make all the requisite payments before the respective armies and navies could be restored to a peace footing, would, at the rate of interest that must be paid, involve an annual charge on revenue equal to more than helf the total required to provide for the national debt of Great Britain. Should the war continue for one or two years longer at its present calculated excle, and the raising of funds be carried on by the issue of paper, the aggregate charge established would most probably be more than that of the whole debt of England, and if to the ordinary contingencies hitherto estimated the cost of undoing such barbarous and enormously expensive operations as those just witnessed at Charleston is to be added, all attempts to form conjectures on the sub, et would be wild. It is essectial to romember, in every calculation that may now be made on American finance, that the Northern outlary represents only a vortice of the whole and the respectation of the whole and the cost of undoing such su

scarcely be se crushed as to be forced back into the Union under the condition that the Union shall be liable for the debts of the North, and not for those of the South; and, on the other hand, supposing the Confederates able to establish their independence, the North will be left to sustain the whole of its own burdens with a heavy reduction of population and territory. Looking at these things, coupled with the fact that about one-sixth part of the country is already in the depth of repediation, owing to the temptation of escaping payment even of amounts which, in comparison with the figures with which we are new to be made familiar, are utterly integrificant, it is evident that those who continue to hold United States stocks must do so in the conviction that the time is approaching when some sudden popular caprice will terminate the whole struggle, and when the public and the army, having falsified every assertion they have interts put forth, will proclaim that they have again dazzied the world with a wholly unexpected triumph. With regard to the stocks of individual States the prospect is far less hazardous.

There has as yet been no disposition by any of them to onter into ruinous commitments for the national cause, and it is quite probable that they might maintain their individual faith, even if the worst should happen in the case of the federal obligations. Some of them, indeed, have shown particular acuteness in avoiding burdens to which they were in peril of being exposed; the Governor of New York, for instance, having just recommended that the property tax to be levied on that State next autumn should be met by setting against it a nearly equal claim of the State for the equipment of its volunteers. In relation to other securities, such as those based on railways, mines, &c., not immediately on the scene of war, there is, perhaps, little ground for apprehension. They need not suffer materially from the depreciation of the currency, since they can raise their charges to provide for it; and as, whenever

burdens, with a heavy reduction of population and territory.

The position of the stocks of individual States is far less hazardous than that of United States stocks. In relation to other socurities, such as those based on railways, mines, &c., not immediately on the scene of war, there is perhaps little ground for apprehension.

Mr. Barnes, member of Parliament for Bolton, in adressing his constituents, protested, on commercial and political grounds, against the breaking of the American blockade, and strongly urged that the surest way of permanently behoftling the cotton trade was to turn every attention towards the developement of the resource of India.

Finances of the American Government. Direct taxation and the Frauds of the Contractors.

[From the London Times, Feb. 1.]

We in England have found no difficulty in deciding what has been the political error which has plunged the United States into their present lamentable condition. We have concluded, with a rare unanimity of opinion, that the error lay in the adoption of plans of war and conquest, instead of a peaceful and friondly separation. It is not much more difficult to decide what has been the nature of the miscalculation which, at the end of nine months, has plunged the finances of what was apparently a powerful and wealthy State into hopeless ruin und confusion. The Northern States are spread over a vast portion of the surface of the globe. They have a large and increasing population, an extensive trade and a considerable quantity of highly protected manufactures. But the government of the United States is not like the government of a European monarchy. If France or England go to war the whole resources of the nation are atthe disposal of the Emperor or the Farliament. It never has been so in America. The central government and the individual States have divided the revenue between them. To Congress has fallen as its share the appropriation of the proceeds of indirect taxation. Such direct taxation as is levied is appropriated to the governments of individual States. The thing has been accustom and a tadition, and the result is that the government which speaks and acts for the whole of the American people is really armed with a poncery which is only a fractional part of the whole financial resources of the nation.

We hear a good deal said about imposing direct taxes which may appropriate for the proceeds of the proceeds of the resources of the nation.

We hear a good deal said about imposing direct taxes

in order to guarantee to their customers the convertibility of their issues into gold. These securities in
many cases consist of the obligations of the State,
which are regarded—and not ungeasonably—as a better
guarantee to prove the public and a galor hovestment.

The back the public and a galor hovestment of
the United States government. The bright idea has
contred to Mr. Chase that his difficulties will be over if
the can only contrive to raise the value in the market of
the United States across the states were in
guod credit, its securities would brigh a high price. If,
therefore, I can raise the price of its securities, I shall
in the same proportion raise the credit of the governnent. The securities are low because nobody wants
them. These who have them wish to get rid of them.
These who have them wish to get rid of them.
These who have them wish to get rid of their
State securities, and take the stocks of the federal
government instead. Thus a new market will be opened
for our depreciated funds, our credit will rise, and the
stony-hearted capitalists of England and the Continent will gladly render money to a government whose stocks are quoted at so respectablo a price." The barks object, very naturally
and very energetically, to this proposal. They tell the
government faity that the State stock is a far better securrity to the holders of their notes than the stock of the
federal government, and they assure them that nothing
will be gained by their manouvre, for the banks air-eady
hold a sufficient amount of this stock to supply can
other's necessities, without acting upon the market at
all. The whole affair is a singular proof of the desperate
difficulties in which the State is havolved, and equally
desperate means to which it is ready to have recourse in
order to free itself from them.

But Mr. Chase has another scheme still, equally strange
with his pian for iffiparting value and stability to government securities. He is said to contemplate the formation
of me banks of issue—as if America

and proposes to adopt a regards Mexico an absolute respect for the independence of that country; the povernment de tres that the integrity of the territory shall be preserved; it seishes the Mexicons to retest that government which must their own inclinations. Our expedition has gone to claim satisfaction for insults that have been committed against us. It has gone to show that we have the power to make ourselves respected; it takes out regenerating principles, which civilized armies convey to people in a state of any archy. It the Mexicans think they stand in read of them and strong government, they can obtain it, and we shall not offer any obstacles. Spain has nothing to do but to show the Mexicans har wait to see them manage their riem and the according its their own views. The government will not device from

The Cotton Supply.

STRICT NEUTRALITY OF THE MANUFACTURERS, ETC.
At the annual meeting of the Manchester Chamber of Commerce the American question, more particularly as it affects the supply of cotton, was debated at length, and a policy of strict neutrality on the part of England was very generally urged by the speakers.

A proposition that the Chamber should open a conference with the New York Chamber of Commerce, with a view to seeing how far the influence of the commercial world could be brought to bear upon, and put an end to, the melancholy strife, was brought forward and approved of.

## THE INVASION OF MEXICO.

The Correspondences of material publishes the interests as semi-official declaration:—

For the second time we have to repeat, in reply to a statement made by the Contemporanco, that the Spanish government has entered into no engagement to place Archduke Maximilian of Austria on the throne of Moxico; nor is there any truth in the report that the Spanish government to found a new monarchy in the ancient Spanish monarchy. The Mexicans are at liberty to select their own form of government and a head for their State which suits them best, and the conduct of Spain will be limited to see that such new government carries out the enactments of the treaties which exist between Mexico and Spain.

Don Almonte, Mexican Minister, has arrived at Trieste, and been received by the Archdake Maximilian.

The Austrian Gazete mentions the reappointment of the Archduke Maximilian as Commodore of the Austrian Navy, and contradicts the report respecting the scheme

to place bim on the throne of Mexico.

MOVEMENT OF THE FRENCH REINFORCEMENTS.

[Paris (Jan. 30) correspondence of the London Times.]

A letter from Toulon of the 26th inst. observes that the
despatch of Marahal Castellane provisionally suspending
the embarkation of troops for Maxico remains a mystery,
particularly as despatches were received from Paris the
previous evening commanding the immediate departure
of the ships.

The transport Moselle get up her steam on the morning
of the 26th and sailed for Teneriffe with a cargo of coals.
The engineers who arrived at Toulon on the 26th immediately embarked their arms and tools, among which
were some thousand hatchets, pickaxes and shovels,
supplied from the Toulon storehouses.

Although the 26th was Sunday, shiprights were working
all day, and ware to work all night, in fitting out the
screw ship-of-the-line Fontenoy, which was to sail to Oran
to embark troops for Mexico. The Canada and Asmodes
were ready for sea, and were only waiting for the arrival
of the Chasseurs-a-Pied which were to be conveyed to
Vera Cruz.

The Nintay pints of the line, which is to form part of

the shirty-limit of the line, which is to form part of the expedition to Mexico, is to embark at Cherbourg. General de Lorencez, the commander of the supplemen-tary expedition to Mexico, left Paris on Monday after-noen with the officers of his staff for Cherbourg. The battery of the Minth regiment of Artillery in garri-son at Vincennes, which received counter orders on Satur-day, when the men were about to leave for Cherbourg, proceeded on Monday to its destination.

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REPORTED DIFFERENCE AMONG THE ALLIES.
[Paris (Jan. 30) correspondence of London News.]
General de Lorencez dined at the Tuileries yesterday, and sat on the Empress's left hand. Although the evening papers continue to report movements of troops destined for embarkation for Mexico with all speed, I hear a rumor that the departure of the expedition is suspended, owing to a hitch in the negotiations with Austria. Difficult as the story is to believe, I cannot reject the evidence tending to show that France and England have contemplated the erection of a throne in Mexico, whereon they meant to put the Archduke Maximilian. Ho was not, it is said, to be an emperor or king, but a viceroy, the sovereignty boing vested in the Emperor of Austria as a compensation for the cession of Venice to Italy! Although, according to all the most recent indications of the disposition of Austria, the latter event does not seem to be in any way upon the cards, it is still less incredible than that France and England should break their principle of non-intervention, and fin out coastly expeditions to operate at the other end of the world for the sake of giving a kingdom to Austria without any return to be made by her. It is positively said that abstria has entertained the idea of bartering away venice and the famous quadrilatoral for new dominions in South America. But now, at the last moment, if what I have heard be correct, Austria requires a promise from France and England to keep up an army of eccupation in Moxico for ten years.

This proposition is demarred to, and hence the counter

We hear a good deal said about imposing direct taxed which may support a forthcoming paper currency and form the basis of feture leans; but nobedy seems to have any heart for the business. It is not a popular race ment, and Congress has recently given a signal proof of its abject subservience to the popular feeling of the moment. But such a stop is were than unpopular. It is impracticable. We do not onebt that in their dire extremity Congress will be ferced to go, through the form of imposing a large amount of direct taxation will never be really paid. The best financier in the world can do little unless he is previded with money or credit, and the American Charcellor of the Exchequer soons to be entirely destitute of both. We do not, therefore, wonder to find him engaging in the old insignity of tampering with the currency, and, having nobling more valuable to offer now, seeking to pay his way with worthless promises to pay hereafter. A bill for issuing a senity millions steeling in covernment noise upon it market already sufficiently gigated with paper, issued by an enormous number of composition banks, is being fairned through Congress. The army is besing paid finashmilar currency, and a money changer follows the paymenter to dole out to them, at a heavy discount, the metallic value of their degreestact pay.

But Mr. Chase has another scheme more creditable to the originality of his genine than the obligations of the State, in order to guarantee to their customers the convertibility of their issues into gold. These securities in many cases consist of the obligations of the State, which are regarded—and not unresconably—as a better guarantee to the public and a safer investment for the banks than the obligations, in any form, of the United States government. The bright idea has occurred to Mr. Chase that his difficulties will be occurred to Mr. Chase that his difficulties will be occurred.

THE FRENCH BLUE BOOK ON MEXICO.

(Paris (Jan. 30) correspondence of the London Chronicle.]

In the legislative papers about Mexico is a copy of the instructions given to Admiral Jurien de la Graviere, commander of the naval part of the French expedition. They say, in express levers, that the three intervening Fowers "intendict themselves from any interference in the internal affairs of the country, and especially from exercising any pressure on the will of the populations as to the choice of their government." This certainly is in contradiction to all that has lately been said about the establishment of a menarchy under the Archideke Maximilian, of Austria. But the instructions are dated the lith of November, and since then the situation has changed.

The luke d'Elchingen, Lieutonant of the Chasseurs d'Afrique, and grandson of Marshal Ney, and Frince George Ribesco, heutenant in the staff, son of the former Hospodar of Wallachia, form part of the expeditionary corps to Mexico.

ENGLISH OPINION OF THE ALLIED INTERVENTION, From the London Times, Jan. 31.]

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ENGLISH OPINION OF THE ALLIED INTERVENTION. From the London Times, Jan. 31.]

Though the intervention in Mexico may, perhaps, exhibit unexpected features as events proceed, it has not yet been attended by any circumstances which can excite surprise, or which should occasion any disastismotion in this country. The intervening Powers prefess a common object, and are bound by the terms of a formal convention to a common line of conduct, but they are nevy digerally situated in respect of exportantics and dispersition. The government and beople of England have accepted the obligation of interference with strong and notorious reluctance. Such expeditions are externally unpopular with Parliment and the public. They cost money, they involve unwelcome, and possibly inconvenient, demands on our military establishments, they threaten all kinds of contingent perplexities, and are not supposed to promise any satisfactory return. It may be said that France and Spain are under the same conditions, but France and Spain are under the same conditions, but France and Spain can anticipate compensations from which we are excluded. The French are rather gratified than otherwise with the opportunity of such an expedition. The duty of occupying any country with a military force is in their eyes decidedly an agreeable one. They like to use their power, to exert their influence and display their authority in the affairs of Europe. These considerations have sufficient weight with them to overbalance all contingencies of expense or embarrassments, and it has been seen on more than one occasion that France actually holds herself agretwed by what in England would be thought a fortunate exemption from troublesome duty. Spain, again, as at present in a position to participate in these rentiments.

\*\*Example of the process of the substant of the substa

that we shall look upon the activity of our neighbors not with jealousy but with satisfaction.

All the three Powers have been offended alike, and all have the same title to intervent. We can only trust that the intervention will be speedily successful. England will do her best to insure impartial justice to all calmants, and to secure the best chance of national recovery for Mexico itself; but, if France and Spain find it convenient and agreeable to take the military department of the expedition on themselves, they will meet with no opposition from us.

UNITED STATES.

[Paris (Jan. 31) correspondence of London Post.]

The French government has informed that of Spain a
to the exact amount of extra land and sea forces intende
for Mexico. The allies are likely to med with more resis
ance in the interior than was expected. I have reason to be
lieve that the government of the United States has privatel
promised assistance to the Mexicans if possible.

The Journal de St. Petersbury announces that the Assembly of the Nobles at Moscow had decided upon prepoung to the Emperor the application of the principle of election to the administration of justice, and that the taxes should be collected in the provinces by persons elected for the purpose, instead of by the functionaries appointed by the State.

An imperial decree had been published, ordering the publication of the budget for 1862.

Greece.

A conference of the great Powers had been held at official residence of Ali Pacha, to consider the great State of affairs in Syria. The result is not stated.

Advices from Athens announce that M. Mianli's mitry had been replaced by a new ministry, under residency of M. Kanaris. A popular demonstration taken place in favor of the latter. The streets of Ath were traversed by patrols. The troops were not allow to leave their barracks.

with small still stripes or crossred with small spots and larger than the head of a small pin—is equally effective; as white sable with black, black with white, violet with gold. The latter has a very rich effect. In taffetes antiques many new designs have been adopted. We noticed one, a very pale primrose, nearly white, on which were broceaded bunches of flowers. Each group was encircled with a narrow black line, giving the flowers the appearance of being raised, as a camao. We also noticed a white moire, with pink flowers brocaded in the material, and black leaves embroidered. This is the mode of the season.

We must not omit to mention velvet, which is much worn, both plain and terry. Saim is also in great favor, and is manufactured in every imaginable color. Sky blue, sea green, pale pink, white and maize, are the colors preferred for evening wear; steel gray, golden brown and violet, for out of doors. For evening dresses, the materials are richer and more beautiful than ever. For instance, tarlatan, gauze and crape, embroidered is some color, and soutaches in gold and sliver. Chambery gauze is always fashionable; but for grande toljette tuille is the material invariably chosen, and worn effer with or without flowers. The tunic is much in favor. For ball dresses tulle trimmed with double ruches decoupees, with tunio of tulle, the same material embroidered in silver or gold, or stars and small colored flowers. We particularly notice a white satin dress and tunic of the same, and with the skirts covered with twenty or thirty narrow pinked flowness. Some skirts have alternate ruches of blond and bouillonnes of tulle. We especially remarked one in the latter style. The skirt was of pink silk, with alternate bouillonnes of pink crape and ruchings of black lace.

Tunics are seldom made of the same meterial as the under skirt. These gearfs are far more elegant when the ends are left long and floating.

Low bodies have very little drapery, but are generally wern with berthes, trimmed with lace or blond For young gi

men trimmings rather detract from than embelish a dress.

The more aerial a dress ball is, the greater the elegance of the effect produced. A drawback, however, to these clouds of lace and table is that, although the ruches, bouldonnes and flounces look so fairy-like at the commencement of the evening, before it is finished the skirt appears chifforee and ragged. Fortunately, neither tarlatan nor table is very expensive, and a few fresh bouldonnes or ribbons of a different color restore the appearance of the dress.

For dinner dress, light colored foulard, with colored flowers, or tarlatan and mestin embroidered in colors, are very in ch wern. The latter is suitable for young ladies, and is generally made decollote, with small pollerine of blend or emb oldered organts. A dinner dress of

ladies, and is gonerally made decoilote, with small polle-rine of blend or emb ordered organdi. A dinner dress of white fordard, with be aposts of reses, merits a short describin. The skirt was trimmed with two frilled flounces of pink silk; between them were placed five rows of pink velvet. The body was round and low, with berthe formed of last and rate of alls. Wide sleeves to the show, open up to the front and trimmed to corres-pond with the skirt. Under sloves of tulle bouillone. For quiet evening dree, and even for the theatre, small polerines are wern, other round or pointed, and are accompanied by small fit has. The peterines are made of traitane, or obtated build, trained with lace ro-settes or frills. They are made also in black guipure or point de Venise. The fichus are either high or low. The question of discontinuing crinolines has been much discussed; but, when we mention that the skirts of dresses are five yards wide, and that to steel cages two or three potticeats are added, it will be perceived that there is no very great change as to circumference. The petticeats are perhaps not quite so large near the waist, but there is no difference in size at the bottom of the dress.

there is no difference in size at the bottom of the dress.

The bodies of indeer and visiting dresses are generally made open; some merely to the height of the low body, others quite down to the waist. Within these open bodies are worn musin fichus and habit shirts, trimmed with lace or embrodiery.

Spanish point, chenille fringes, medallions and bows of ribbon or lace are the ornaments most in request for bodies and sleeves. We have seen several corsages with the trimming placed in the form of a berthe—a most becoming style. The berthes are round. The sleeves are open, and not very large, and trimmed cither round or up the seams.

coming style. The berlhes are round. The sleeves are open, and not very large, and trimmed citior round or up the seams.

Many skirts are made open at the seams, which are turned back en revers, and trimmed with ruches. A skirt of a diferent material is worn underneath, and shows at the opening of the seams. For instance, the upper skirt may be of silk, and the under one of terry or plain velvet.

The richest and most expensive trimming is the satin stitch embroidery, worked by hand on the material. This style of ornament is only applicable to very rich fabrics—as velvet, taffetas, entance and moire.

We have seen a blue velvet dress, embroidered in gold at the seams, which were open, disclosing an under pettocoat of white satin. Speaking of velvet, we remarked a violet, with a band of chinchila round the skirt, up the front and continued over each shoulder. The body was open nearly to the waist. The sleeves were rather short and large, open at the back, and trimmed with a band of fur, which was continued up each side of the opening. They were lined with white satin.

We have seen two or three-moire and tangetas antique dresses, trimmed with a Greque of ruching round the skirt. These ruches are sometimes in one-color, at others in two: one of the same shade as the dress, the other a little lighter or darker, according to the fancy of the wearer.

Some silk dresses have two flounces; the lower rather

little lighter or darker, according to the fancy of the wearer.

Some silk dresses have two flounces; the lower rather wide, put straight round the skirt; the upper, which is nerrower, placed in festoons, and heasled by a ruche. The body of one of these dresses was rade square, surrounded by a narrow flounce and ruche; the sleeve trimmed in, the same manner.

For visits of ceremony, the paletot has been superseded by the velvet or achismire shawl. When made in the forner material, they are hadsonsely embroidered in sathstitch, and flounced with lace; or braided and edged with a limitsoine chenille fringe. For younger ladies than those for whom the above mentioned styles are intended, we recomment the half fatting beavines, embroidered in silk and jet: and the large circular cleak, handsomely ornamented on the shoulders and back, iq, the form of a pelerise. Some loose paletots, slightly marking the figure, are made of gray or black curled plash, incel with quitted silk, and fasteoed with cut stool buttons.

hined with quitted silk, and fasteoed with cut steel buttions.

Bounets are not quite no presences in form as they
were a few weeks ago. Two particularly attracted our
notice. One of terry volvet and carpe, the other of white
eilk and visies velves. The interior of both was very
foll. Caps of quilled blonds or points of flowers quite at
the top. These caps only extended across the top of the
bonnet, from one side of the head to the colary, the strings
and hair filling up the rest of the space. With this
style of bonnet, the hair should be worn in bandeaux
bounkets.

Commercial Intelligence.